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ABSTRACT

A self-study conducted by George Washington University on the influence of the government on university affairs considered the following areas: (1) civil rights legislation and compliance; (2) legislation other than civil rights requiring compliance (e.g., occupational safety); (3) government program funding priorities; and (4) funds administration (e.g., grants, loans). For each of these subjects, a study and assessment were accomplished with reference to their effects on faculty, students, curriculum and research, and management. The financial contributions made by government to the university have added significantly to its objectives of education and research. To illustrate the proliferation of compliance requirements on institutions receiving government funding, the variety of representations, certifications, and reporting required is described. Government regulations on research administration include provision for documents entitled "Representations and Certifications," inventory of equipment reports, patent and invention reports, and progress and technical reports. It is suggested that greater uniformity of procedures and requirements among agencies that have the same needs and objectives be developed. Legislation/regulations affecting the university include: equal opportunity legislation/regulations, the Buckley Amendment to the Family Rights and Privacy Act of 1974, The Occupational Safety and Health Act of 1970, regulations protecting the student as a consumer, Animal Welfare Act, and requirements by the Immigration and Naturalization Service. (SW)

THE GROWING INFLUENCE OF THE GOVERNMENT ON THE AFFAIRS OF THE UNIVERSITY

A Self Study Prepared By The

George Washington University

Washington, D.C.

Submitted To

Sloan Commission on Government and Higher Education

Cambridge, Massachusetts

July, 1977

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THE GEORGE WASHINGTON UNIVERSITY

A Report to the

Middle States Association of

Colleges and Schools,

Commission on

Higher Education

CHAPTER TWO

THE GROWING INFLUENCE OF THE GOVERNMENT ON THE AFFAIRS OF THE UNIVERSITY

DECEMBER 1976

In 1976, The George Washington University conducted an institutional self-study in preparation for its' ten-year review by its regional accrediting association. The report was submitted in December, 1976, and in March 1977 the inspection team visited the campus and completed its evaluation.

As had been arranged with the Association, one chapter examined governmental effects on the campus. A case study was written by the following task force:

-Chairman : Dean, Graduate School; Chairman, Research Committee	-Chairman, Dept of Statistics
-Vice-President and Treasurer	-University Registrar
-Vice-President for Admn & Rsch	-Chairman, Dept of Political Sci
-Chairman, Dept of Oper Rsch	-Comptroller
-Assistant Provost for Aff Act	-Director, Women Studies Program
-Director of Admissions	-Vice-President for Student Affairs

Because self-studies are prospective in nature the University hopes to get further reaction when the Association completes its formal review this summer. The attached chapter is offered only as an illustration of what one university's self-study efforts produced.

CHAPTER TWO

THE GROWING INFLUENCE OF THE GOVERNMENT ON THE AFFAIRS OF THE UNIVERSITY

A. Introduction

In the past decade the nation's academic community has witnessed substantial increases in new government legislation and regulations which have modified governance, teaching, research, and public service activities performed by the institutions of higher learning. The George Washington University is among those which have become keenly aware of the growing government influence on higher education and has taken the opportunity of its Middle States visitation to study this major issue. More specifically, this study has provided the occasion for all members of our university, i.e., faculty, students, and administration, to assess the impacts of government activity and to share and seek advice from the Middle States Association. Also, it is hoped that this effort may serve as a case study for the benefit of other universities.

Government legislation and regulations impose on a wide range of crucial university activities; a few of these include admissions, academic planning and development, faculty and staff recruitment, faculty/student research, and fiscal operations. The consequences of governmental actions are not all positive or not all negative, either to the University or to our total society. Hence it is necessary to distinguish among the various types of legislation and to view what must be expected to be differential impacts on the processes and objectives of the University. These considerations played a major role in organizing and conducting the study and in the presentation of its results.

In trying to cope with the huge scope of government influence, the design of the study involved the partitioning of subject areas into four major groups: (1) civil rights legislation and compliance; (2) legislation other than civil rights requiring compliance, e.g., occupational safety; (3) government program funding priorities; and, (4) funds administration, e.g., grants, loans, etc. For each of these subjects, a study and assessment was accomplished with reference to their effects on faculty, students, curriculum and research, and management. While it was recognized that the subject areas are not mutually exclusive, the taxonomy and related allocation of effort served as an efficient means to accomplish the study. These subject areas are preceded by a brief description of the financial contributions made by government to the University. Before proceeding to a more detailed discussion of the study and its results, some general remarks are in order.

With very few exceptions, there are no significant quarrels with the objectives of legislation impacting on the University. While we are engaged directly in furthering our national interests and objectives in creating and communicating new knowledge, there is clear recognition by the University that other national objectives must be accomplished at the same time. For example, the goal of equal opportunity is not questioned but, in fact, supported in the strongest terms. In almost all areas, the concerns are with the particular regulations and the interpretations and procedures adopted by individuals in the government in carrying out the legislation and its objectives. Government requirements have too often tended to be arbitrary and costly to the University without contributing

to the objectives of the legislation, and simultaneously they have impeded university governance and objectives. Causes for this are varied. These include, but are not limited to, vague and hence uncertain regulations, tentative and therefore changing regulations, duplications of requests by various agencies with the same objectives but with different compliance procedures, lack of agency awareness of feasibility of obtaining required data, and, last but not least, lack of agency awareness of possible negative effects on academic programs. Compliance with the law should be expected, as are reasonable and relevant monitoring procedures, but not all requirements have been reasonable or relevant.

Possibly one of the most serious conditions facing the University is the uncertainty caused by vague and conflicting regulations even when the original legislation and its objectives are fairly definite. The problem is compounded when the legislation itself is unclear. We have seen a few notable examples of this situation. One is the famed "Buckley Amendment" to the Family Rights and Privacy Act of 1974. While this legislation will be addressed later in this report, its significance for the present is as an example of legislation adopted without the benefit of hearings, leading to an inability to know the intent of Congress. It is apparent that the Department of Health, Education, and Welfare was at least as confused in implementing the legislation as universities were in attempting compliance.

It has been difficult to obtain estimates of costs of compliance and reporting of compliance. Where possible, cost estimates will be discussed in reference to particular programs. However, it should be noted

that real costs include diversions of academic administrators, faculty, and students from the process of education and research and these costs are particularly difficult to estimate. In addition, some major costs of compliance were not considered, for example, those associated with programs such as Social Security. The rationale for excluding such costs was that these expenditures represent employee benefits which, in terms of market forces, would have to be met one way or another.

The history of government participation in higher education goes back to the beginning of our nation and, in fact, to the Colonies. Certainly, the creation of publicly-supported institutions represents a clear case of such participation. Some very important changes have occurred since the beginning of World War II. It was then that attention was focused on the need for enlisting expertise at our campuses for significant contributions to the war effort. This need resulted in sponsored research activities of a dramatic nature, and such activities have continued, be they for meeting national security objectives or domestic social aims. Immediately following the war, there was the great boom in college enrollments due, in large part, to the provision for educational benefits to veterans. During World War II and the post-war period, there was little or no attempt by the federal government to affect the governance of universities. In fact, the government looked to the strength of the university system to provide the appropriate organizational environment and technical expertise to serve the nation's interests. In the 1960's, particularly under the Johnson administration, there was an awareness that higher education of our citizens was a means for upward mobility

and this awareness led to the objective of providing "universal access" to higher education. Since that time, this has been an important means to provide equal opportunity. During the past few years, much of the social legislation which was enacted in order to reach various social goals has impacted on university governance and processess. This legislation has created a change in government-university relationships.

Higher education in the United States has been notable in its diversity and in its ability to provide a large range of choices to satisfy the desires of individuals seeking education. Government regulations are always uniform and it is not clear that with this uniformity we can preserve the diversity of our institutions of higher learning. Even reporting requirements associated with regulations can never be absolutely neutral in their effects. The uniformity of these requirements and the usually uniform rules and criteria for their evaluation may be expected to induce a sameness among our institutions. Also, on a more practical level universities of different sizes cannot be expected to comply or report with the same degree of efficiency and effectiveness. There are probably scale economies which could make it more difficult for the smaller institutions to comply in any feasible manner. More specifically, the costs of compliance may be too high for their survival, particularly when these regulations come at a time of financial hardship for all educational institutions.

This study was implemented in the spirit of attempting a balanced view without neglecting positive or negative results of government influence. Indeed, both positive and negative effects have been identified and these are described in the following sections.

B. Government Financial Contributions to the University

One major way in which the federal government participates in and contributes to our university is through the funding of educational and research needs. Hence some description of the scope and nature of this funding is highly relevant for this study.

Table 2.1 portrays a summary of the dollar amounts of government funding for the fiscal years 1972 through 1976.

TABLE 2.1

Fiscal Year	Research Grants and Contracts Including Training Money	Student Financial Aid	Grant/Loans/ Int. Subsidy For Constr.	Totals
1976	$ 18,317,180	$ 929,928	$ 910,358.78	$20,157,466.78
1975	15,724,080	811,758	793,551.73	17,329,389.73
1974	14,066,799	912,634	2,301,212.12	17,280,645.12
1973	13,220,923	818,341	7,711,650.17	21,750,914.17
1972	N/A	853,889	13,155,132.09	14,009,021.09

The amounts shown in the Table represent funding for all segments of the University. Substantial proportions of the funds for research grants, etc., and construction pertained to the Medical Center. For example, with the important exceptions of funds for the University Library and the Smith Center, almost all construction funds were for the new Medical School building, the hospital, and the clinic.

In addition to the above programs, our students may receive Federally Insured Loans or Guaranteed Student Loans. It is not possible to provide an exact total of the amount of these loans since we are not

always notified when one of our students receives a loan. It is estimated that about 900 students (excluding law and medical students) received these loans in fiscal year 1976. The average was about $1300 per student for a total of $1.17 million.

The sizeable government funds received by this University have contributed significantly to our objectives of education and research.

C. Civil Rights Legislation and Regulations

A summary of major legislation and regulations to be discussed appears as Appendix 2.1 to this Chapter. Each of the laws and sets of regulations has had an impact on the university. In addition, the number and complexity of federal regulations have had a cumulative impact which has required some restructuring of offices and shifting of various individuals' job responsibilities. For each area, the Committee set out to analyze its impact upon the University from the points of view of cost, management, curriculum and research, and benefit, defined as achievement of the social goal for which the legislation is designed.

Throughout the study, difficulty was encountered in determining which changes had resulted directly from federal laws and legislation and which occurred because the same social forces prompting the legislation were at work within the University community independent of federal requirements. For example, in recent years, the University has been subject to a number of suits alleging abridgement of student rights and unfairness. In addition, concern for affording due process has resulted in an increasing legalism in internal proceedings such as faculty,

administrative and staff employee and student grievance proceedings, and student disciplinary hearings and reviews of academic decisions. Some of the latter changes may have been desirable; but the costs of such developments are substantial in terms of legal fees, time, and changes in relationships among members of the University Community. Such changes, however, cannot be attributed directly to federal legislation and regulations and therefore they have been excluded from the study.

1. Equal Opportunity Legislation and Regulations

Equal Opportunity (EO) legislation and regulations have had a substantial impact upon the University. Of all the laws and regulations, Executive Order 11246 has had the greatest and broadest impact. In part, this is because of the complexity and scope of the Executive Order itself. Executive Order 11246 requires collection of data on all employees, utilization analysis, projection of goals and timetables for hiring members of minority groups and females, and the development of systems to monitor hiring procedures and practices. No other regulation requires the development of such an extensive management system and such extensive modification of policies and procedures.

Another factor explaining the greater impact of Executive Order 11246 is the pressure by the Office of Civil Rights for compliance. Although a substantial amount of work has been done in implementing other federal regulations such as Title IX of the Education Amendments of 1972 and the Rehabilitation Act of 1973, as amended in 1974, these regulations have not received the same attention as Executive Order 11246. Accordingly, the analysis centered primarily on Executive Order 11246.

2. Costs

It is impossible to identify with precision the amount of funds the University has expended as a direct result of equal opportunity legislation. For one thing, so many individuals, to some degree, carry out functions required by EO legislation that it is impossible to estimate the total monetary value of the time these individuals expended for these purposes. Salary and other costs are provided, therefore, only for those offices which carry substantial responsibility for implementation of equal opportunity legislation. It is also difficult to assess which costs result directly from EO legislation. Over the past ten years, for example, the University has developed many programs and policies designed to achieve equal opportunity, and it is impossible to determine whether or not the existence of federal laws was at all influential in the decision to institute a program or policy. With respect to this problem of cost identification, a very conservative view has been taken. With the exception of legal fees, only those costs which can be attributed directly to federal legislation have been included. Care must be taken in looking at even these costs, however, in that factors apart from federal law are almost always a part of the decision to make the funds available. With the provisos identified above, the direct costs of EO legislation to the University are shown in Table 2.2.

TABLE 2.2

Personnel and Operational Costs - Current Fiscal Year

Office of the Director of Equal Employment Activities		$ 46,740
Personnel Services		25,700
Other		58,000
		$130,440
Computer Costs:	Academic	Non-Academic
Development of Affirmative Action Plan	$1,125	$3,335
Total July 1, 1975 - present	$1,635	$3,500
Consultant Fees:		
July 1, 1973 - present	$36,700	
Legal Fees:		
April 1972 - June 1976	$30,900	
Additional Monies Spent to Equalize Salaries of Female Faculty in 1973:	$62,961	
Difference in Budget for Women's Athletics, FY 1975 to FY 1977:		
Administration	$85,374	
Grants in Aid	$91,834	

Another EO objective which could result in very significant costs pertains to the Rehabilitation Act of 1973, as amended in 1974. The intent of this legislation is to permit access of the handicapped to our facilities. This past year, the University spent approximately $10,000 for such building modifications. The modification of all existing

buildings in order to provide access to the handicapped is estimated to cost in excess of $5 million. This is based on the situation described in Table 2.3.

TABLE 2.3

Category	Number of Bldgs.	Gross Sq. Ft.	% of Total	Estimated Conversion Cost
Accessible	12	2,322,063	64%	$ -0-
Partially Accessible	16	655,575	18%	410,000
Not Accessible	8	369,169	10%	410,000
Not Accessible (Row Houses)	37	276,126	8%	4,320,000
	73			$5,140,000

It is clear that most of the necessary expenditures would pertain to a small percent of the total facilities. The investment for modification of our row houses would be economically infeasible and unacceptable. Federal regulations may take cognizance of the enormous costs of such modifications although what will, in fact, be required is highly uncertain at this time.

3. Management Problems

Apart from costs, the study attempted to assess the management problems which the equal opportunity legislation presents. One of the most salient problems is that of communication. Since equal opportunity legislation affects every aspect of the institution from hiring employees to counseling students, keeping people informed of their obligations is an almost impossible task. To the extent possible, the University has centralized

procedures and policies to ensure compliance. The regulations are so sweeping, however, that centralizing to the extent necessary to ensure compliance would destroy the character of the institution. By necessity, the University must rely on communication for compliance, and communication is never certain.

In the developmental stages of the University's compliance efforts, heavy reliance was placed on committees. The Committee on Appointments, Salary, and Promotion Policies of the Faculty Senate made recommendations that contributed to the advancement of equal opportunity in faculty employment. In 1973, the president appointed a Commission on Equal Opportunity composed of both faculty and administrative and staff employees. On the basis of a year-long study, the Commission drafted the University's Affirmative Action Plan. More recently, the Commission on Equal Opportunity has been influential as it has exercised a "watch dog" function over the implementation of equal opportunity legislation.

To perform the major tasks of implementing federal laws and regulations, the University has created one new office, that of the Director of Equal Employment Activities, and substantially redefined and/or added to the responsibilities of the assistant provost (formerly the assistant vice president for academic affairs), the assistant vice president for administration, and the Office of Personnel Services. In addition, academic and administrative department chairmen and deans and others who have responsibility for hiring decisions all carry administrative responsibilities for implementing equal opportunity legislation. The amount of time involved for department chairmen and deans is difficult to estimate.

A questionnaire completed by academic department chairmen showed that the time spent in discharging these responsibilities ranged from none in the case of a department which had hired no new faculty since 1973, to approximately 100 hours per faculty vacancy. By far the most time reported by academic department chairmen resulted from the requirement to advertise faculty vacancies. The floods of applications some departments receive result, of course, both from a tight job market and from open advertisement, but if EO legislation has had any negative impact on academic departments, it has been in the amount of time required to fill a faculty vacancy. In general, academic department chairmen do not view the paper work required by the University to monitor compliance as particularly burdensome. The experience of administrative department heads is probably relatively similar except that since most recruitment of administrative and staff employees is done by the Office of Personnel Services, few administrative departments are affected by the recruitment problems that academic departments have experienced.

For the most part, development of the data required by the federal government has not been an especially difficult task. Prior to the need for data required by the regulations, the University had developed a computerized faculty-data bank; additional information had to be added to the data bank, but this was neither a time-consuming nor a difficult process. Developing the information required for administrative and staff employees was more difficult. Although plans to develop a data bank had existed for some time, no source of information on administrative and

staff employees existed. Much of the information required had to be gathered by hand, and this process was probably expensive because of the time required. Collection of data on the racial composition of students was accomplished by asking students to report their race on registration cards. While this may be viewed as straightforward, a noticeable group of students refused to provide these data on the grounds that it is "racist," "discriminatory," etc. Hence the task of furnishing complete and accurate data for purposes of compliance presents difficulties. Although the government insists that few students object to providing this information, our experience indicates otherwise. There are other problems with getting the data required, but these problems are more attributable to general data processing problems than they are to the federal regulations themselves.

Except for the offices and persons specified earlier, adding the federal requirement to already existing programs has satisfied many of our obligations. For example, the requirement to review job qualifications to ensure job relatedness has been assumed by the manager of compensation who, as part of the classification plan, was already assigned the responsibility for reviewing job classifications on a periodic basis. The gathering of statistics on the number of new employees who are disabled or Vietnam-era veterans has been undertaken by the Records and Benefits Section of the Office of Personnel Services which is already responsible for collecting data on new employees. Adding these additional responsibilities has an impact which is difficult to assess. Over the long run, it probably results in the need to acquire additional

personnel. Where responsibility has been assigned to faculty, as is the case with faculty hiring, clearly the result is more time spent in administration and less in teaching and research. Although department chairmen individually do not see the administrative requirements as substantially affecting their work, taken as an aggregate, at least in theory, substantial time is lost from teaching and research.

There is an important element of uncertainty pertaining to equal opportunity. Federal officials make distinctions between goals and quotas for hiring minority and female employees. However, there is much confusion over these terms since there is no certainty that enforcement agencies will not view goals as quotas. No one knows what will happen if the goals are not met within the established timetables.

One of the most burdensome aspects of federal regulations is what, from the point of view of the University, appears to be unnecessary or ineffective actions. The following list is intended to be illustrative of such requirements:

(1) Providing elaborate and repetitive notice for each set of federal regulations.

(2) Filing notices of job vacancies with the District of Columbia Manpower Administration which has not proven to be a source of applicants.

(3) Completing reports which seem to serve little or no purpose.

By far the most serious example of this kind of inconvenience occurred in June of 1975 when the Office of Civil Rights (OCR) notified

this and other universities that they had not had time to undertake the required compliance review prior to the award of a federal contract and therefore required, in effect, the University to agree to submission of an Affirmative Action Plan on the Berkeley model as a condition of receiving funds.

The agreement which OCR initially proposed could not possibly have been signed by the George Washington University, because it contained untrue admissions of non-compliance as well as a waiver of the rights of hearing and due process which are guaranteed by the legislation. In addition the requirements for masses of data and irrelevant detailed analyses went far beyond the mandates of both the law and the implementing regulations. Obtaining the data would have cost the University thousands of dollars, if it could have been obtained at all. After this University and about thirty other institutions affected by the threat raised a storm of protest, the responsible federal agencies jointly modified both the agreement (which we signed in June 1975) and the format for development of an affirmative action plan (which was published in August 1975). The reasonableness of the final documents when contrasted with the initial requirements highlights the unreasonableness of those original demands.

Another example pertains to a related concern: demands by a government agency for excessive, irrelevant, and duplicative data. The objection is not against proper investigation of a complaint. Our disquiet stems from investigative offices which make demands for mountains of

data, without considering the burden which their gathering imposes on the institution. And sometimes those data are not even used by the investigators.

The particular example above refers to a complaint against our Law School. The investigative offices initially wanted "the records of all students who had attended the Law School during the previous three years" which would require going back about six years. After this initial demand, which amounted to over 3,000 records, the request after some discussion was modified to about 1,400 records. The Law School then had to go to great lengths to make individual records anonymous.

One team of investigators did not even take this stack of records away with them after their visit. The District compliance agency asked for the same data at least four times, for four different investigators. Apparently these duplications were caused by investigators' resignations or reassignments, or by inadequate record-keeping.

4. Impact of EO Legislation and Regulations on Curriculum and Research

Academic department chairmen reported that EO legislation had no direct impact on curriculum and research although some did feel that their departmental offerings had been influenced to some extent by general interest in women and in minority groups. Title IX did require that the Department of Human Kinetics and Leisure studies open all of their course offerings to both men and women. Prior to passage of Title IX, classes in football had been restricted to men. No other impacts are discernable.

5. Benefits of EO Legislation and Regulations

At this time, it is impossible to determine whether or not the University has employed more females and members of minority groups since the implementation of the Affirmative Action Plan. The first year of monitoring the hiring of administrative and staff employees is not yet completed; and, given the relatively few faculty vacancies which have been filled, progress in faculty hiring cannot really be assessed until the Fall of 1978, the time set for achievement of faculty goals.

What is clear is that hiring procedures and practices have changed. Employment openings are published in appropriate ways, and it is clear that at least some departments are making special efforts to include qualified females and members of minority groups in their applicant pools. Questionnaires completed by academic department chairmen showed that some respondents believed open advertisement had resulted in better qualified applicants than the department had previously attracted. Some departments, of course, had been advertising vacancies prior to it being required for this reason. Several department chairmen indicated, as well, that they believed that federal legislation had resulted in greater fairness to female and minority applicants. No department chairmen felt that regulations barring discrimination on the basis of age or handicap had had much impact, the former primarily because faculty vacancies tend to be at the junior level.

Measurable benefits have resulted in at least three other areas:

(1) Salaries of male and female faculty were equalized in 1973. Annual reviews are conducted to ensure that discrimination in salaries does not recur.

(2) In response to Title IX, the University has provided for a strong intercollegiate athletic program for women.

(3) A beginning has been made in making physical facilities accessible to the handicapped.

Although not demonstrable, perhaps most important of all is the assessment that, despite good intentions, many changes which federal law has required would not have occurred without the law. The laws provided the impetus for a good part of the positive changes which have occurred; and, even where no changes were required, they provide a continuing external reinforcement for wise educational and personnel policies.

6. Student Rights

The difficulties of implementing the "Buckley Amendment" to the Family Rights and Privacy Act of 1974 have been in the areas of policy development and communication. Policy development was difficult because the law became effective prior to the time that the Department of Health, Education, and Welfare issued regulations. Accordingly, work on implementation had to be accomplished without benefit of knowledge of what the requirements for the law would be. In June 1976, seventeen months after the enactment of the legislation, official regulations were published ending a long period of uncertainty regarding requirements. Current difficulties in implementation are bothersome, but small, and are primarily concerned with matters which probably were not intended in the original legislation. It was probably not the intention of the drafters of the legislation to change the procedures for gathering information about

nominees for Phi Beta Kappa or to prevent security officials from access to information about when and where a student is attending class, yet the regulations effectively require these things. Informing all members of the University community of their rights and obligations under the Act was and continues to be difficult, although not a very time consuming task.

The major problem posed by the "Buckley Amendment" was that of faculty recommendations. Many faculty members felt uncomfortable with the concept that recommendations were no longer necessarily confidential; however, much of the original objection seems to have dissipated.

Most of the burden of providing the opportunity for students to review their records has fallen on the Office of the Registrar, but no additional personnel have been required as yet. Other offices receive relatively few requests from students to review their files.

At the time the "Buckley Amendment" was passed, the University had a well-defined records policy which protected students from improper disclosure of their records, and this University did not routinely send grades or provide information to parents without the student's consent. In addition, movement was being made toward the development of policies which would have permitted student inspection of records and which would have controlled what information could be placed in a student's file. The benefit accruing to students was that of hastening change.

D. Legislation and Compliance in Non-Civil Rights Matters

1. The Occupational Safety and Health Act (OSHA) of 1970

The general provisions of OSHA require adherence to a set of standards which will change constantly, to certain reporting and record-keeping activities, and to a requirement to inform employees of the institution's activity in complying with the provisions of this act.

It is difficult to separate costs attributable to OSHA standards from those that may have resulted from D.C. building codes or fire regulations. Generally, the OSHA standards have incorporated the latter and, in effect, have eliminated some loopholes. The University has already been put to some expense conforming to OSHA standards, but it should be noted that none of these things have been unreasonable. In fact, the long-term effect may actually be to save the University money since the modifications could prevent accidents that might result in expensive litigation. To the extent that costs can be attributed to conforming to OSHA standards, Physical Plant estimates that $110,000 has been spent during the past three years for safety-related work. This work ranges from relatively minor items such as guards on equipment, chaining down compressed-gas tanks, relocating exit signs, etc., to extensive modifications such as a fire stairway in the Burns Law Library ($5,000), modification of fire prevention and ventilating systems in the Marvin Center ($15,000), upgrading the ventilating system in the laboratories and storage room in Corcoran Hall, and installation of automatic self-contained fire extinguishers in storage rooms in Ross Hall.

The paper work provisions of OSHA are not excessive. A daily record of accidents and injuries must be kept, and an annual report must be made to OSHA. Also, safety posters must be displayed and efforts made to inform the University community about OSHA and University activities relating to it. An estimate of maximum personnel time involved is 50% of one clerk's time in the Office of the Safety Officer.

It should be noted that there is a potential problem to the University in that unreasonable standards may be set in some areas because of specific hazards in industry, which in a university setting are totally different. For example, extensive exposure to dangerous chemicals by personnel in industry may result in specific standards for storage and handling of chemicals and provisions for ventilation and fire extinguishers. These standards could be totally inappropriate in the University's Chemistry Department where the staff or students are exposed for only a small fraction of the time that industry workers would be. It should be said, however, that procedures have been established in which a petition may be filed for variance from a particular standard. This appeal goes through the U.S. Circuit Court of Appeals and obviously this process, even if the petition should be granted, would involve legal fees.

2. Consumer Rights

Regulations for the Guaranteed Student Loan Program issued in February of 1975 contain two requirements designed to protect the student as a consumer. One requires the institution to submit its refund policy for HEW approval. The other would require the University to provide prospective students with data about the employment and salary

patterns of graduates of programs preparing students for a vocation or career field. The University's refund policy has been submitted for approval. No action has yet been taken on the second requirement.

These regulations, which are designed to protect students from fraudulent or misleading claims for course of study and employment possibilities, clearly are addressed to the kinds of postsecondary institutions whose aggressive recruiting programs guarantee graduates jobs and high salaries. Placing these requirements on all postsecondary schools eligible for the Guaranteed Student Loan Program in order to correct the abuses of a few seems a misdirection of federal effort. The Federal Trade Commission's regulations requiring educational institutions to compile statistically valid data about employment patterns has been clarified to exclude colleges and universitits. It is possible that this exclusion may not continue because of possible arguments by proprietary institutions that all should comply with the regulations; however, at the present time this is not in sight. The most recent higher education bill passed by Congress may void these two requirements. A more liberal refund policy, if required, would have an adverse financial impact on the University.

In terms of consumer rights, there does not appear to be any specific federal legislation with significant impact on the University. Civil suits brought by individual students or other "injured parties" were beyond the concerns of the study as they are simply litigation based on equity.

3. Animal Welfare Act

Public Law 89-544 as amended by Public Law 91-579, commonly called the Animal Welfare Act, sets standards for the keeping of and experimentation on animals. Generally it requires the University to have an active committee meeting periodically on this subject alone, and that committee must include a veterinarian. (It does not require that the veterinarian be a full-time employee of the University.) Certain standards are set for light, humidity, heat, population of cages, etc., and on the general comfort of the animals. There is a requirement of an annual report to be filed by the University with the U.S. Department of Agriculture.

Obviously, the most affected section of the University is the Medical School, and here a coincidental situation muddies the waters in terms of expenses that might be attributable to legislation. When the Medical School moved into its new quarters, it bought new, bigger, and better cages for the animals, but this would have been done regardless of any standards set by this particular legislation. There were other expenses in terms of animal facilities, but none of these could really be attributable to standards set by this Act. The veterinarian in charge of the Medical School facilities did offer an interesting point. He stated that they are building runs for dogs, not because they are currently required, but because there is pending legislation which they anticipate will require this. In other words, we are not only obliged to meet certain requirements, but in practice we must anticipate changes in standards that may be forthcoming. Apparently the annual report required by this Act is no burden.

4. Requirements by the Immigration and Naturalization Service

The Immigration and Naturalization Service (INS) requires the University to report the names of students who, after entering the country to study at the George Washington University, thereafter fail to register, carry less than a full-time course of study, or terminate their attendance. Reporting is the shared responsibility of the Registrar and the Advisor to International Students.

In the past, decentralized admissions for the five schools of the University contributed to sporadic and incomplete reporting in that the Office of the Registrar was not universally recognized as a central office for student-status reporting. An International Committee composed in part of the admitting officers from the five schools has recently been established to study the problems of international students. The Committee has taken steps to standardize procedures for international student admission in such a way as to centralize all student-status reporting in the Office of the Registrar. The information necessary for reports to INS is retrievable from current computer print-outs.

In addition to such routine reporting, the Registrar is also responsible for responding to requests from individual international students for verification of their full-time student status and other matters of record for their personal transactions with INS. Approximately 20 per cent of one administrative employee's time in the Registrar's Office is devoted to this activity.

The recent tightening of INS's enforcement of a number of its regulations is prompting the University through the Registrar, the International Committee, and the International Student Advisor's Office to

take extra measures to assure that our international students are aware of the regulations regarding their full-time student status, employment restrictions, and other matters. Extra efforts are also being undertaken to insure that faculty and staff are acquainted with the special constraint placed on international students by virtue of their alien status. Such efforts are time-consuming, but should result in the University's losing fewer students because of their visa violations. INS has not called upon the University to enforce immigration regulations but to assist in their implementation by reporting status, and to be sure that students admitted are aware of their obligations to INS as international students.

5. Veterans Administration

Institutions of higher education have worked cooperatively for many years with the regional offices of the Veterans Administration to effect a rather extensive program of funding persons approved for educational benefits under the several applicable laws. The Veterans Administration has recognized in its regulations the uniqueness and stability of institutions of higher education and accorded accredited institutions privileges appropriate to this status. Likewise, the higher education community, appreciative of the extensive role that the Veterans Administration has been asked to undertake to carry out the will of Congress, has responded to the periodic requests to assist them in implementing new assignments. In the past year the institutions of higher education have been confronted with requests to accede to regulations which come in conflict with their institutional policies, practices and privileges; and have seen

fit, therefore, to challenge the Veterans Administration on several points of obvious concern.

The intent of Congress in writing legislation for the veterans of the Korean conflict was to fund the student in such a way that he would be viewed and treated as a civilian student. The legislation expected the veteran to assume responsibility for knowing the regulations and the procedures and, in doing so, to report his entry and continued attendance in his approved program based on initial and monthly certifications filed through the institution. All education funds would now be paid to the veteran and received monthly after the completion of a given period of attendance as certified by the veteran. Unlike the previous GI Bill, the veteran was to pay his educational expenses from these funds removing the Veterans Administration from direct payment to institutions and making the veteran responsible for payment to the institution like any other student. Over the intervening years, changes have been made of a statutory and regulatory nature which have had the net effect of transferring some responsibility to the institution with consequent conflict with institutional policy.

Coupled with the succession of changes alluded to above, were changes in the method of payments, introducing first the Early Payment Plan and then the Advanced Payment Plan. These changes have promoted overpayments which have grown out of all proportion. Appropriate concern regarding overpayments has resulted in a focus on institutional reporting and other aspects of record keeping with the result of the initiation of changes in regulations applicable to all institutions of

higher education which impinge on institutional policies or, at the very least, expect that separate standards be applied to the veteran. These regulations have in fact or by interpretation come in conflict with institutional policies and practices of grading, academic action, student course load and attendance, and present problems in terms of equal access to academic programs. Specifically, these concerns relate but are not limited to the regulations which will be used to carry out the statutory changes in Chapter 34 of Title 38 U.S. Code, Sections 1673, 1674 and 1682 as well as the changes in Chapter 36, Section 1789.

In this case, all of higher education is being called upon to conform to the regulations of a government agency where the regulations seem to challenge institutional policies and/or practices, and pertain to a relatively small proportion of the institution's enrollment (about 10%). These regulations come at a time when, increasingly, legislation is being proposed and enacted to grant funds to an even broader base of students in lump sums without comparable demands on the institution. Unlike the recipient of a grant-in-aid, a veteran who withdraws after five weeks has his benefits terminated, or an overpayment declared, yet the veteran is obligated to the institution for the total charges of tuition and fees. At a private institution these are often more than that which he would receive in benefits were he enrolled for the full term.

There is a rule commonly known as the "85/15 rule" which applies to private non-proprietary institutions of higher education. The Statute (Section 1673 of Chapter 34 of Title 38, USC) reads as follows:

> The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any course (other than one offered pursuant to subchapter V, any farm cooperative training course, or any course described in section 1789(6) of this title) for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution, by the Veterans Administration under this title and/or by grants from any Federal agency. The Administrator may waive the requirements of this subsection, in whole or in part, if the Administrator determines it to be in the interest of the eligible veteran and the Federal Government.

There is a strong need for clarification of the Statute and its implications. Some of the questions in need of answers are as follows: Will this have an impact on programs offered in the vicinity of military bases which enroll a high percent of "covered" students? How will the funds received on a head count basis (as in the School of Medicine or in Continuing Engineering Education) be construed? Will it be considered that these funds are being paid "for them by the educational institution"?

Certainly the George Washington University desires to perform fully its responsibility for carrying out the regulations of the government agencies with which we work, but it wishes to do so with proper recognition of the rights and privileges of individuals and institutions. At the present time we are uncertain as to these rights and privileges.

E. Government Program Funding Priorities

The third major topic of the study is the impact on our University of government funding priorities for sponsored research and training activities. Attention has already been given to the compliance requirements

associated with this funding. It should be noted at the outset that, while the total dollar value of sponsored activities is reasonably high, most of these activities pertain to a small percent of our departments.

1. Impact on Departments

A set of questions relating to government funding priorities were stributed to all 43 department chairmen to solicit information and views about the general topic. Responses were received from 27 departments. The questions included the following:

(1) Can you identify the influence of programmatic legislation and priorities in government support on curriculum and/or research in your department over the past five years? (For our purposes, programmatic legislation is that legislation which may be directly or indirectly related to higher education and provides support for research or education programs, e.g., National Science Foundation, National Institute for Education, National Endowment for Humanities, Fund for the Improvement of Post Secondary Education.)

(2) How would you assess or project the impact of government policies or funding priorities on the administration/faculty/students of your department?

a. Have you organized, reorganized, or accumulated personnel or other resources to use, or deal with the loss of, federal funds? Government fellowships or training monies? Please specify.

b. Have you developed courses, specializations, or research projects to meet needs articulated through legislation and government programs?

c. Has the presence or absence of direct government support for students in your field affected numbers or quality of student body? Direct or indirect opportunities for students to participate in research? Please specify.

d. How would you identify/assess the time/attention paid by your department to monitoring or pursuing government funding or future priorities?

e. How would you assess the impact of government procurement practices on your department, e.g., length of commitment in funding projects, timing of awards and arranging departmental commitment without firm decisions on awards, solicitations through requests for proposals without firm commitment to funding? Please specify.

Summary tabulations of the responses follows:

TABLE 2.4

Influence of Programmatic Legislation and Priorities in Government Support on Curriculum and/or Research in Academic Departments

	Positive Influence	Negative Influence	No Influence
Curriculum	9	1	17
Research	8	4	15
Students	6	4	17

Table 2.4 shows the results of evaluating departments as indicating positive, negative, or no influence on the basis of their written responses. As shown most departments indicated no influence.

Of those reflecting a positive influence, the influence ranged from an increase or shift in research efforts of faculty, and consequent support for students as graduate assistants, to support for major graduate programs or programmatic research activities. Those departments reflecting major impact tended to be applied oriented (e.g., Operations Research, Urban and Regional Planning, Statistics, and Education).

Those reflecting negative influence pointed to the reduction or loss of funds for fellowship programs, the reluctance of faculty to pursue research funding when sponsors required it to be related to agency activity, (e.g., defense or health) rather than strictly pure research, and the general decline of support for the department's activity (e.g., language training).

TABLE 2.5

Departmental Administrative Changes in Response to Availability or Loss of Government Funds

	Change	No Change
Use of Funds	3	22
Loss of Funds	2	

Table 2.5 shows that 22 of the departments responding showed no administrative changes influenced by government funds. Those showing changes relating to use of funds included one department that had added a substantial Research Center which resulted in adding faculty, research support for graduate students, and courses relating to the general area of the Research Center's activity. Changes relating to loss of funds included affiliating with a directly funded federal laboratory to provide research and training opportunities.

TABLE 2.6

Courses, Research Projects, or Specializations Developed by Departments to Meet Needs of Government Programs

	Yes	No
Research	5	15
Courses	7	

In Table 2.6, of those departments indicating that research projects undertaken or new courses developed were influenced by the needs of

government programs, most reflected a positive view in terms of the research or courses benefiting the department's academic activities. One referred to limitations on faculty research imposed by Requests for Proposals that narrowly specify research objectives.

TABLE 2.7

Influence of Direct Government Support on Numbers of Students in Departments

	Presence of Funds	Absence of Funds	No Influence
Numbers of Students	7 increased	6 decreased	14

As shown in Table 2.7, a total of seven departments indicated that government funds had a favorable impact by providing research support for graduate students (three departments) or by providing full-time support for students (four departments). Six indicated that the decline of fellowships or other sources of support for students had the unfortunate impact of decreasing the number of full-time students.

TABLE 2.8

Department Monitoring of Governmental Funding Possibilities

Estimated Time	Number of Departments
None	13
Limited	5
Substantial	9

Table 2.8 shows the extent to which departments monitor government funding possibilities. Departments vary in the way monitoring is done.

For example, a faculty member is assigned this as a duty or interested faculty monitor areas of interest on their own initiative or the department chairman devotes substantial time to monitoring.

TABLE 2.9

Impact of Government Procurement Practice on Departments

Impact of Procurement Practice	Number of Departments
None	18
Negative Impact	8
Positive Impact	1

Table 2.9 shows the responses by the departments on the impact of government practices. Three-year funding was cited by one department as a positive influence. All other responding departments indicated no impact (18) or negative impact (8). Those reporting a negative impact cited such problems as time of faculty spent in proposal preparation; short term funding (e.g., one year commitments) and the resultant difficulty in scheduling courses, budgeting, etc.; sudden termination of research projects when shifts occur in government priorities; and solicitations with Requests for Proposals with no firm commitment to fund any proposals.

The general conclusions that can be drawn from examining the impact of governmental funding on the University are that the academic activities have benefited substantially, including research, course and curriculum development, and student support. Several specific examples of major benefits to the University which have been cited are as follows:

(1) Many persons who come to the University to do research stay on in positions that are not supported entirely

by government funds. At the George Washington University we can cite many instances of this phenomenon among officers of administration and faculty members.

(2) Many research results have not only solved problems for sponsors but have also become items of standard fare in science, engineering, and business curricula. Almost all courses in operations research, e.g., linear programming, inventory, queuing, and sequencing and scheduling, are largely based on results of government sponsored research (at this University and elsewhere) and the same can doubtless be said for many courses in economics, numerical analysis, statistics, computer science, management science, etc.

(3) Many students have been taught by part-time faculty who are here by virtue of their government-sponsored research. In general, such faculty are outstanding teachers because of their research involvement and because of their special interest in teaching, as indicated by their acceptance of overload duties for modest remuneration.

(4) Many students have been supported by government contracts. These range from full-time students employed as research assistants to part-time students working full-time at the University. In operations research, statistics, and economics, for example, there have been

many doctoral students who have been able simultaneously to complete dissertations and to contribute to contract research in important ways as full-time students employed as research assistants.

(5) Many intangible benefits accrue from successful government sponsored research. The University becomes more widely known throughout the government by the results produced, through the professions by the journal articles and books published, and throughout the student world by the listings of assistantships. These three groups of people are also affected by the seminars, colloquia, and conferences that are made possible by government support.

(6) Many valuable items of equipment become University property after they have served the needs of the contract research for which they were originally purchased, among which we can cite computing facilities, books and journals now in our libraries, and devices in our laboratories.

Some departments have felt the decline in support of graduate students due to priority changes, and those involved in research find it difficult to accommodate to procurement practices. These difficulties include the adjustment to short-term funding (the scheduling of classes, the recruiting of research staff, budget planning, etc.), the adjustment to sudden termination of research projects with shifts in government priorities, and the time spent in proposal preparation,

especially in response to solicitations by Requests for Proposals with no firm commitments to fund.

2. Impact of Government Regulations on Research Administration

A major trend in government practice in recent years not directly related to government funding priorities is the imposition of compliance requirements on institutions receiving government funding and the proliferation of certifications and representations related to compliance with various government regulations. There are several aspects to this trend. One is the degree to which regulations implementing legislation specify in detail how the University is to manage itself to meet certain objectives. The second is the multiplicity of assurances, reporting, certifications, etc., required because there is no standardization among agencies.

One example directly related to research is in the area of the protection of human subjects in research. The Department of Health, Education, and Welfare (HEW) has gradually increased the degree of regulation in this area and has imposed requirements not only related to the criteria research proposals must meet in protecting humans at risk, but also related to how the review committee meets and conducts its business. A detailed general assurance must be developed presenting in great detail how the entire process is handled. For example, the review committee is required to meet with a quorum to review each proposal involving human subjects no matter how innocuous the procedures or how limited the risk. A more reasonable procedure would be to permit screening through normal review processes and referral of proposals involving risk with a requirement for the committee to meet only to review such proposals. It is not

that the objectives of safeguarding human subjects is questionable. It is the apparent pervasive assumption that universities cannot manage these matters without detailed specification of procedure by government agencies.

As in other areas of regulation, it appears that the burden on the University is to be increased by the lack of standardization among agencies. For example, recently the Energy Research and Development Agency (ERDA) published proposed regulations for protection of human subjects which requires its own assurance and goes beyond HEW's requirement for composition of the review committee to require not one but four members from outside of the organization. It couples this requirement with one that proposals must be reviewed prior to submission to ERDA. This, of course, would pose the nearly impossible requirement that members of the review committee be available at any time on very short notice. It would also cut into proposal preparation time which is already too brief. Obviously, the quality of proposals would suffer. In other sections of this report, there are descriptions of similar regulations in areas not directly related to research administration, e.g., compliance with E.E.O. legislation. Worth mentioning here, however, is the recently proposed regulation by the Justice Department relating to Civil Rights which would require the University to submit with each grant application a list of all current grant awards with a short description of each!

In the pages which follow, the variety of representations, certifications, and reporting required by government agencies is described. The purpose of this description is to illustrate the proliferation of such requirements.

3. Representations and Certifications

Over the past twenty years the agencies of the federal government have developed, somewhat independently, documents to be completed by an authorized official of an institution seeking to enter into a contract to undertake research. These documents are entitled, "Representations and Certifications"; and, as the title indicates, they ascertain what kind of institution is involved, such as a small business, a minority business, a non-profit organization, an affiliate, etc. They also provide to the institution an opportunity to verify that its policies and procedures meet federal requirements with regard to such matters as equal opportunity, affirmative action programs, segregation of facilities, and the Clean Air and Water Act.

The following is the list of Representations and Certifications generally required to be completed:

Small Business Representation (statement as to whether or not the University is a small or a large business based on the number of employees).

Minority Business Subcontracting Program

Small Business Subcontracting Program

Labor Surplus Area, Use of

Affiliate Business Association Data

Type of Business (profit/non-profit, etc.)

Contingent Fee Statement (no fee paid to an outsider)

Employment of Handicapped

Civil Rights (Equal Opportunity, Employment Listing, etc.)

Nonsegregated Facilities

Affirmative Action Program

Certification as to obtaining and the accuracy of Subcontractor's Certifications

In addition to the above, the following are some of the Representations and Certifications which may be required for specific procurements:

Human Subjects (Protection)

Conflict of Interest

Wage Determinations (use of wage scales)

Assurance of Insurance

Care of Lab Animals (compliance with U.S. Department of Agriculture regulations)

Cost Accounting Procedure and Practice

Employment of Former Agency Personnel

Clean Air and Water Compliance

Independent Price Determination.

4. Inventory of Equipment Reports

With regard to equipment acquired during the course of a research project, various agencies have different criteria to determine if and when title passes to the University, identification marking requirements, frequency of inventory reports, and nature of report (itemized list of equipment categorized as "capitalized equipment" and financial reports). The formats provided by the agencies for making these reports vary considerably. While the data required is essentially the same, the different values specified for determining whether or not an item is capitalized and

the presentation of these data on the various formats require special attention.

It would save manpower for the University if the federal government would standardize both their criteria regarding equipment and the inventory report formats.

5. Patent and Invention Reports

The University has an agreement with the Department of Health, Education, and Welfare on procedures for processing patent applications generated under HEW research program. Among the procedures is an annual reporting requirement reflecting the status of inventions. Other agencies, especially the Department of Defense and NASA have imposed periodic reporting requirements related to their contracts that have to be met if only to indicate that no invention was conceived during the period involved.

At the very least, the "negative" reporting should be discontinued. Furthermore, it would be desirable if a single agreement could be negotiated to cover all instances. This can only happen if greater uniformity of patent policy is achieved within the federal government.

6. Progress and Technical Reports

Another trend reflecting increased federal involvement in University affairs is seen in the frequency and detail being required in technical and fiscal progress reports. The need for program reporting on an annual or even semi-annual basis along with direct communication between scientists is recognized; however, monthly reporting of progress correlated with expenditure of funds appears excessive as shown in recent contracts with the Environmental Protection Agency which require reports as follows:

Monthly Progress Reports

Graphical Financial Report (projected rate of expenditures under contract) - within 15 days after effective date of contract

Oral presentation (bimonthly) and other briefings as may be required by the project officer

Work plans as requested by the project officer

Draft synopsis report of regulations and ordinances pertaining to subject under study

Draft model ordinance

Final Report (approved drafts of synopsis report and model ordinance in final form).

Many of the increased administrative requirements cited above are tied to contracts rather than grants, although not entirely. Nevertheless, even in the administration of contracts, life could be simpler. For instance, administration of National Science Foundation (NSF) contracts has been somewhat simplified since patent reports are only required whenever an invention, improvement, or discovery is made or conceived under the contract, or in the event of patent or copyright infringement, which must be reported promptly. The NSF inventory of equipment reports are required upon completion of the contract, or at such earlier dates as may be fixed by the contracting officer. Usually the final report is the only one required.

The citing of these many examples of the impact of government regulations on research administration is not intended to distract from the important benefits to the University of research and educational

programs stemming from government support. The benefits are obvious from the responses of the academic departments earlier summarized. The proliferating regulations and the increasing use of short-term funding, however, is adding to the administrative burden on the University both at the general level and at the department level.

F. Funds Administration

There are many financial reports which must be provided by the University to the government. Many of these are necessary in view of the University's role as an employer, e.g., Employer's Tax Returns. These are viewed as being necessary business practice and equivalent to any employer's responsibilities.

Fiscal practices relating to transfers of monies between the government and the University for activities such as sponsored research do generate some unnecessary problems and costs. Over the years, much effort has been expended by universities to achieve some uniformity among government agencies in fiscal reporting and billing requirements. These efforts have not been very successful. There is ever-increasing pressure for universities to submit detailed itemization of each change, in varying formats. As noted previously, one agency even requires a monthly graphical financial report in addition to the regular billings.

Budgets submitted in proposals, monthly billings and reports by line-item categories, program monitoring by agency representatives, government auditing (direct and indirect costs and procedures and controls) should assure the agency of the University's accountability. However, not all agencies have found this to be sufficient.

We have experienced agencies' expecting fiscal reports to be prepared by the University's research personnel and formally stating that the fiscal information provided by the research personnel would "not be used for reconciliation with other fiscal reports," i.e., billings and fiscal reports by the Treasurer's Office. Obviously this raises the questions of just how and why the information is to be used and is it appropriate for research personnel to perform this function?

Changes in fiscal report requirements, the requirement for cost sharing and that this be clearly documented in the accounting records, and the requirement for time and effort reporting in accordance with government directives, all necessitate revisions in internal procedures, controls, and computer programs. Similarly, when contract or grant provisions establish limits on budget item transfers, additional costly programming is required to be able to monitor each and every budget transfer under that particular agreement in order to recognize when that net percent transfer has occurred between categories. When such requirements vary, the programming cost is prohibitive.

Another major concern is delay in receipt of grant payments. Two to three years ago, it took from 60 to 90 days following the request to receive payment. This has steadily worsened to the point where six to nine month's delay is commonplace. This forces the University to use other sources of funding with consequent loss of investment income.

An area which requires some discussion, because it is a topic that receives attention quite often, is the recovery of indirect costs on government-sponsored activities. There is a view held by some government agency personnel that indirect costs are not real. At times this

same view is shared by faculty. Motivation for this view is understandable: for a given research grant or contract at a particular dollar level, the less money that is allocated to overhead, the more money available for direct faculty and student research support. While this viewpoint is understandable, it does not reckon with realism. Even though the elements of indirect cost cannot be tallied in the same manner as, say, faculty level of effort, they are no less real and certainly represent program costs which must be recovered.

About a year ago, the Department of Health, Education, and Welfare recommended important revisions to Federal Management Circular 73-78, which prescribes the principles for determining costs of federally sponsored programs conducted by universities. These revisions have not yet been established or approved but if they were they would have substantially reduced possible reimbursable costs. The effect would be to force universities to, in fact, support federal activities. It appears that a principal motivation for revising rules pertaining to indirect costs was simply that a few institutions were not conforming to existing principles and procedures. It is hardly a reasonable response to effect changes so that all universities would be placed in a position of contributing financially to government activities. Also it should be understood that the effect of these changes would be not to increase the amount of funds available to faculty and students for their research but simply to reduce the total amount of funds provided to the University. Whether or not changes will be forthcoming is uncertain, but there is the possibility of an adverse effect on the universities in the future.

G. Conclusions

Much of the participation by the government with this University has been of great benefit. Assisting the University in the construction of needed facilities, providing funds for student support and for research support for faculty and students have contributed to meeting our educational and research objectives. It should be noted that while the benefits are attributed directly to the University, the University is serving the national interest and hence the benefits are to society. Other recent government legislation and programs with social objectives, such as equal opportunity, have likewise been of benefit to the University as a social organization and to society as a whole.

In addition to the important benefits, there have been costs to the University associated with government programs. These costs are extremely difficult to measure. Some costs are reasonable and appropriate but others are not, and the latter are more than noticeable. Costs here refer not only to data that may be derived from an accounting system but rather "real" costs associated with opportunities to meet our objectives that have been foregone. In a more practical vein, for example, costs incurred for needless and duplicative reports represent funds not being used for education. The same is true for required operational compliance which is unreasonable, and the previous sections have referred to examples of both. Our University is dependent on tuition income supplied by students desiring an education and any of this income allocated for inappropriate purposes must be questioned.

Thus far, the results of improper regulations and arbitrary demands by bureaucrats have not been catastrophic but a few episodes have been alarming. There has not been any noticeable lack of academic freedom nor have we had to sacrifice the quality of our academic programs because of government legislation. However, if the costs of compliance continue to increase, academic quality will certainly have to suffer sometime in the future. Aside from current costs of compliance, a major concern resulting from this study is the trend of government intrusion and that of uncertainty. That is, uncertainty about what will be required of the University in order to comply with some major items of current legislation, and possibly of greater concern, uncertainty about legislation and regulations which may be on the horizon.

It appears that a few major steps are necessary within the government to remedy the situation. One is the development of greater uniformity of procedures and requirements among agencies that have the same needs and objectives. A few cases of this have been observed recently. For example, the merging of the extensive reporting form required by the Department of Health, Education, and Welfare for the "Higher Education General Information Survey" with the reporting requirements by the Office of Civil Rights.

Another step is to provide a means of sharing expertise within the government in dealing with universities. For example, a few major research agencies with a long tradition in dealing with universities, e.g., the Office of Naval Research and the National Science Foundation, have developed appropriate and efficient policies and procedures for government-university relationships as they pertain to both technical and

fiscal matters. This expertise should be shared with some newer agencies sponsoring similar activities.

Still another step, but related to the one noted above, is the training of staff members in government agencies to better understand the unique features of the objectives and organization of universities. This understanding is necessary in order that the individuals writing or implementing regulations may assess the impacts of the regulations. Another approach in this direction is to invite and utilize academic advisory groups before regulations are finalized. Some beginnings in this direction have been accomplished recently in the Office of Education.

Of course a necessary approach is to keep Congress informed concerning probable impacts of proposed legislation.

An issue which seemed to surface as a result of the study is the need for better communication within the University between the faculty and the administrators. Information about and adherence to government regulations seems to be considered by many administrators and the faculty to be the concern of the administrators. Too little attention is given by the faculty to these matters and hence, in the past, an assessment of a government regulation has been rare. There is, indeed, only a fine line between what is an administrative issue and an academic issue in a university.